United Nations DP/2008/43

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
21 July 2008

Original: English

**Second regular session 2008**
8 to 12 September 2008, New York
Item 2 of the provisional agenda
**Financial, budgetary and administrative matters**

# Report of the Inter-Agency Procurement Services Office for the biennium 2006-2007

*Summary*

The present biennial report is submitted by the Administrator for the information of the Executive Board, pursuant to Executive Board decision 96/2. It provides an update on the activities of the Inter-Agency Procurement Services Office (IAPSO) of the Bureau of Management for the biennium 2006-2007.

In line with Board decision 2001/13 on the biennial support budget, IAPSO continued to be self-financing requiring no UNDP budget support to sustain its operations. IAPSO has been able to use the revenue that it has generated to invest in procurement capacity development for the UNDP and in supporting its inter-agency functions.

Of particular note is that UNDP and UNOPS initiated a partial merger of certain IAPSO functions with UNOPS in May 2007. In its second regular session in 2007, the Executive Board indicated its overall support for the partial merger (decision 2007/38). The partial merger was successfully implemented on 1 January 2008.

*Elements of a decision*

The Executive Board may wish to:

(a) Take note of this report of the Administrator on the activities of the Inter-Agency Procurement Services Office for the biennium 2006-2007 (DP/2008/43) recognising that this will be the last report submitted on IAPSO based on the successful implementation of the partial merger of certain IAPSO functions with UNOPS on 1 January 2008; and

(b) Commend both UNDP and UNOPS teams on the successful implementation of the partial merger transition process especially in relation to business transfer and human resources activities.

08-43148 (E) 080808

# Contents


| *Chapter* | | *Page* |
|---|---|---|
| | Introduction | 3 |
| I. | Merger of certain functions of IAPSO with UNOPS | 3 |
| II. | Financial performance | 4 |
| III. | Support to country offices | 4 |
| IV. | Inter-organization services | 5 |
| | A. Procurement capacity development | 5 |
| | B. Support to the business community | 6 |
| | C. Inter-Agency Procurement Working Group | 6 |
| V. | Procurement and supply chain management | 7 |
| | A. Procurement services | 7 |
| | B. Sourcing from developing countries | 7 |
| | C. e-procurement | 7 |
| Annex | | 11 |
| | Table 1. IAPSO procurement by major product group | 19 |
| | Table 2. IAPSO procurement services by client group | 19 |

## Introduction

1. Over the biennium, the Inter-Agency Procurement Services Office (IAPSO) provided procurement and supply-chain management services procurement capacity development and e-procurement solutions to UNDP, other United Nations organizations, and partners in development. It served as the secretariat of the Inter-Agency Procurement Working Group, (IAPWG), renamed as the High-level Committee on Management (HLCM) Procurement Network, and supported its working groups and annual meetings.

2. The partial merger of certain IAPSO functions with UNOPS, effective 1 January 2008, has meant transferring its various functions to either UNOPS or UNDP. In UNDP, such functions have been incorporated into the Procurement Support Office (PSO) in the Bureau of Management (BOM), as part of an associated rationalization and strengthening of the UNDP internal procurement support function.

3. During the biennium, IAPSO has placed greater emphasis on serving UNDP country offices to assist procurement in delivering programme results, especially in the key UNDP practice areas. This emphasis will be enhanced within the new PSO setup and is in line with the UNDP strategic plan, 2008-2011.

4. Compared to the previous biennium, turnover at IAPSO has declined for several reasons, and should be viewed in the context of the partial merger decision. Overall, IAPSO respected the self-financing principle governing its operations.

5. With the implementation of the partial merger, UNOPS will assume responsibility for and provide the Executive Board with consolidated statistics on United Nations system procurement for 2007, as set out in document DP/2008/51.

## I. Merger of certain functions of IAPSO with UNOPS

6. UNDP and UNOPS initiated a partial merger of certain IAPSO functions with UNOPS in May 2007. During its second regular session 2007, the Executive Board indicated its overall support for the partial merger (decision 2007/38). The key elements of the merger are outlined in two documents approved by the Board in September 2007 (DP/2007/CRP.6 and DP/2007/CRP.7).

7. The partial merger was implemented on 1 January 2008, with a transfer of assets, business processes and staff.

8. In the partial merger, UNOPS took over the direct procurement services carried out by UNDP/IAPSO that relate to goods of common use to its clients, including vehicles, office machines and communications equipment, and management of the e-procurement platform Web Buy for most organizations of the United Nations system, as well as for governmental and non-governmental partners in development. UNOPS assumed responsibility for services that support the United Nations procurement system, especially the United Nations Global Marketplace, which is the portal for the vendor community for United Nations system procurement opportunities, permitting registration of suppliers worldwide to supply goods and services to the United Nations system and providing access to procurement notices and contract awards. UNOPS also took over production of the annual statistical report on the procurement activities of the United Nations system.

9. UNDP has retained the direct procurement functions carried out by UNDP/IAPSO that are critical to the delivery of UNDP development results. UNDP has also retained those UNDP/IAPSO capacity development functions for procurement that serve both the

needs of programme country government counterparts (as part of public sector reform initiatives) and internal UNDP needs. Finally, pending the outcome of an ongoing inter-organization review of the various inter-organization mechanisms, UNDP has retained the secretariat function servicing the former Inter-Agency Procurement Working Group – now known as the Procurement Network – under the High-Level Committee on Management.

10. The systematic management of the transition process with vigilant attention to due process considerations for staff, client relationships, and risk monitoring, was the key to the successful transition. With respect to the human resources dimension, this included a participatory, transparent, and fact-based implementation involving the relevant staff representation bodies in an open dialogue, and implementation through a transparent, independently conducted position-matching and job-fair process for UNOPS and UNDP.

## II. Financial performance

11. The financial results for the biennium 2006-2007 are mixed, and must take into account factors such as: the extraordinarily high turnover in 2005 due to a single high value electoral support project; termination of Global Drug Facility procurement; and impact of the partial merger decision on business in 2007. The total turnover during 2006 was $138 million, with an average fee of 3.24 per cent. The corresponding figures in 2007 were $107 million and 3.82 per cent. During the biennium, the net operating surplus was about 0.29 per cent of the turnover, while the cash reserve was increased by about $0.72 million. The reduced turnover for 2007 is due to the announced partial merger, since IAPSO did not take on long-term procurement projects and resources available to handle procurement volume were reduced due to staff departures in anticipation of the merger. IAPSO had also invested in certain activities that did not generate income (such as the International Organization for Standardization certification project, information technology systems development and an e-consulting project), resulting in an expenditure of $0.8 million from its operating fund in 2007. Overall, the IAPSO fund balance increased from $9.4 million as at 1 January 2006 to $10.1 million as at 31 December 2007.

12. The balance in UNDP general resources relating to accumulated revenues over costs (reserve) by IAPSO has been or will be used for:

(a) Any liabilities relating to IAPSO business prior to the implementation date, plus the cost of closing IAPSO accounts;

(b) IAPSO expenditure exceeding revenue in 2007, if applicable;

(c) UNDP/PSO start-up costs in 2008;

(d) Cost of change management activities linked to the partial merger, for UNDP and for UNOPS, including for remaining activities carried over into 2008;

(e) Costs for current IAPSO/PSO staff who are unsuccessful in finding a position in either UNOPS or UNDP and must be separated from UNDP; and

(f) A one-time transfer from UNDP to UNOPS.

## III. Support to country offices

13. IAPSO played a major role in supporting procurement activities of UNDP country offices. IAPSO had been aligning its services to better support delivery of UNDP programme objectives in democratic governance, (election procurement and partner government procurement capacity development), HIV/AIDS, (by supporting procurement for UNDP country offices that are principal recipients of the Global Fund to Fight AIDS,

Tuberculosis and Malaria (GFATM), and in crisis prevention and recovery, by augmenting and developing the procurement capacity of country offices.

14. The main support to country offices had been in providing procurement transaction services either through its e-catalogue system or other framework and long-term agreements. Increasingly, IAPSO has developed agreements that support procurement in elections and GFATM. For example in countries where UNDP procures for elections, the requirements are often urgent, with challenging deadlines. In many cases IAPSO successfully procured the necessary materials for elections on time by using the established agreements. Similarly, IAPSO set up several long-term agreements for GFATM through which it supported country offices.

15. In terms of capacity development, IAPSO fielded over 30 missions to country offices to provide hands-on training to procurement staff. Often this training included programme staff, as IAPSO believes that country offices should work in an integrated manner to achieve programme results and that procurement planning should be introduced early in programme conception. In addition, specific training in civil works procurement was delivered to country offices in Jerusalem (Programme of Assistance to the Palestinian People), Zimbabwe and Liberia.

16. Various missions were fielded to augment procurement capacity in various country offices. For example, IAPSO consistently supported country offices dealing with crisis situations, such as Pakistan, Liberia and South Sudan. In the case of South Sudan, IAPSO seconded a senior staff member there for an 8-month period to reorganize the Procurement Unit, set up procedures and processes, and undertake emergency procurement.

17. With the partial merger, the IAPSO focus on supporting UNDP country offices was taken over by PSO. However, in the aftermath of the bombing of the United Nations office in Algiers, it became evident to UNDP that under certain circumstances payments may need to exceed the limit set by the financial regulations. UNDP informed the Advisory Committee that it had been obliged to turn down requests for ex-gratia payments by staff who were victims of the bombing, due to the financial limit placed on such payments. UNDP considers it important to be able to respond appropriately to such crises. The Committee was informed that no such financial limit on ex-gratia payments is contained in the financial regulations and rules of the United Nations (ST/SGB/2003/7, regulation 5.11 and rule 105.12), the United Nations Children's Fund or the United Nations World Food Programme.

# IV. Inter-organization services

## A. Procurement capacity development

18. New procurement curricula covering public procurement – 'Sourcing in the Public Sector', 'Contract and Supplier Relations Management', 'Risk Management in Contracting for Construction Services' and 'Procurement Strategy Development' – which were developed during 2005, were offered at Dubai, Bangkok and Vienna several times annually. A total of 370 participants attended the courses. UNDP/PSO will continue with the training courses in 2008 as a continuing need has been expressed by various stakeholders.

19. Procurement capacity development assignments were carried out with a number of United Nations organizations and partners in development during the biennium. IAPSO continued to play a role in support of the UNDP-European Union partnership for electoral assistance. IAPSO was the resource for procurement support and advice in developing

electoral assistance projects, including procurement strategies and plans, review of budgets and timelines, and procurement training as needed. Following the merger, this partnership with the European Union will be assumed by and strengthened under PSO/BOM. IAPSO also concluded an agreement with United Nations Procurement Services in 2007 to conduct procurement training for United Nations staff covering peacekeeping missions, and for head office locations globally. Following the partial merger, this project, which will conclude in 2008, will be assumed and be completed by PSO.

## B. Support to the business community

20. In support of the business community, IAPSO undertook a variety of activities, including supporting business seminars, delivering supplier development courses, publishing procurement notices on behalf of the UNDP and other United Nations system organizations at its website, developing and managing the United Nations Global Marketplace', and publishing consolidated statistics on United Nations system procurement.

21. A business seminar is a forum in which a supplier community is advised about how to do business with the United Nations system. These seminars must be requested by a government trade promoting entity, such as a ministry of trade, or by a chamber of commerce. The format consists of a number of United Nations organizations presenting information about their work, the scope of procurement requirements, procedures, and terms and conditions. A question-and-answer period generally follows, and suppliers can meet the presenters on a one-to-one basis. IAPSO coordinated with the organizers of the business seminars on behalf of all participating United Nations organizations. To facilitate an efficient approach, IAPSO developed guidelines for the organizing entities, the United Nations participants, and the supplier community. IAPSO organizes and takes part in more than 15 business seminars each year, around the world. With the partial merger, this function has been transferred to UNDP/PSO as part of its HLCM procurement network secretariat duties.

22. Since 1998 IAPSO has managed and maintained the United Nations common supplier database. The database was revamped during 2002-2003 and relaunched in 2004 under a new name, the United Nations Global Marketplace. The database now serves as the sole portal for potential suppliers to 14 United Nations organizations. With the partial merger, this function has been transferred to UNOPS.

23. IAPSO had the responsibility of collecting, consolidating and publishing statistics on United Nations system procurement. Apart from its value to the Member States, the annual statistical report is used by potential suppliers to the United Nations system as a source for market research. With the partial merger, this function has been transferred to UNOPS, and UNOPS has assumed the responsibility for publishing the annual statistical report for 2007.

## C. Inter-Agency Procurement Working Group

24. IAPSO has served as the secretariat to the Inter-Agency Procurement Working Group (IAPWG) since 1978. IAPWG was a forum of senior procurement practitioners of the United Nations System of Organizations, who was brought together in April 2007, under the HLCM of the Chief Executives Board to establish a procurement network. Its mandate is to promote the strategic importance of procurement and supply chain management in programme and service delivery, in a transparent and accountable manner. Its programme of work furthers the efficiency and effectiveness of the procurement function within the United Nations system, through, inter alia, collaborative procurement arrangements, simplification and harmonization of procurement practices, and by fostering professionalism among the staff responsible for procurement. The network, through

information and knowledge sharing, promotes procurement opportunities to potential suppliers from developing countries, as well as those from countries with economies in transition, and supports capacity development for procurement in countries where the United Nations organizations serve. UNDP/IAPSO has been serving as the secretariat since its inception. Since the merger of IAPSO into the new UNDP Procurement Support Office and UNOPS, respectively, on 1 January 2008, UNDP retains and funds the HLCM procurement network secretariat function, which facilitates the day-to-day running of the network and the coordination of business seminars.

# V. Procurement and supply chain management

## A. Procurement services

25. The volume of procurement handled by IAPSO declined between the 2004-2005 and 2006-2007 biennia for the reasons outlined under 'financial performance.' There has also been a shift in client base. IAPSO moved steadily to deepen relationships with key clients, especially UNDP country offices. By the end of 2006, UNDP country offices represented over half the total procurement volume of IAPSO. That trend slowed in 2007 due to the partial merger, as long-term support to UNDP country offices could not be initiated. The main support to development partners such as international financial institutions and non-governmental organizations has been in vehicle procurement, through the IAPSO e-catalogue. Table 1, in the annex, provides a breakdown of IAPSO procurement activities by product, and table 2 provides a breakdown by client group.

26. During the biennium, IAPSO continued to increase the range of supply markets in which it procured repeatedly, and therefore sought to support this activity with appropriate long-term agreements.

## B. Sourcing from developing countries

27. The global supply markets in which IAPSO primarily procured are dominated by developed-country suppliers. IAPSO has been involved in initiatives within UNDP and with the HLCM to encourage more participation in United Nations procurement from developing countries. There are various issues to be considered. One is the reluctance of developing-country suppliers to take on the risks of international trade, often accompanied by a preference to offer goods through developed-country suppliers, who then assume the risks. Many developed-country suppliers to IAPSO (and to other United Nations organizations) source their product almost exclusively from developing countries – for example, products related to elections, such as ballot boxes, indelible ink and registration and polling kits, and products related to crisis recovery, such as tents. Another issue is globalization and the location in different countries of suppliers and their manufacturing facilities (where major developed-country suppliers fabricate some of their products in developing countries). For example, a major supplier of motor vehicles manufactures certain vehicles supplied to IAPSO in Thailand and South Africa. Since the statistical data do not reflect country of origin (place of manufacture), but rather location of the supplier with which the contract is made, the representation of developing-country inputs in the supply chain is underestimated.

## C. E-procurement

28. In the 2006-2007 biennium, IAPSO continued to develop its e-procurement system, 'UN Web Buy' (www.unwebbuy.org). With the partial merger, UN Web Buy has been transferred to UNOPS.

29. IAPSO continued to provide support to the World Health Organization (WHO), which purchased a customized version of UN Web Buy in 2004. Following the partial merger, agreement has been reached with WHO that this support will be provided by UNOPS in the future.

30. IAPSO undertook several e-procurement consulting projects in support of programme country reforms. Two in-house initiatives, 'e-consulting' and 'procurement desktop' had to be curtailed due to the partial merger.

# Annex

## Table 1. IAPSO procurement by major product group

| Product group | 2006 | | 2007 | |
|---|---|---|---|---|
| | Amount Million USD | (Per cent) | Amount Million USD | (Per cent) |
| Motor vehicles and spares | 49.38 | 36% | 60.81 | 57% |
| Electoral Equipment | 4.96 | 4% | 10.40 | 10% |
| IT Equipment | 12.05 | 9% | 7.30 | 7% |
| Pharmaceuticals | 38.00 | 27% | 13.99 | 13% |
| Freight | 15.50 | 11% | 8.17 | 8% |
| Other technical equipment | 18.78 | 14% | 5.41 | 5% |
| Total | 138.66 | 100% | 106.90 | 100% |

## Table 2. IAPSO procurement services by client group

| Product group | 2006 | | 2007 | |
|---|---|---|---|---|
| | Amount Million USD | (Per cent) | Amount Million USD | (Per cent) |
| UNDP | 70.26 | 51% | 57.62 | 54% |
| Non-governmental organizations, donor Governments, bilateral and international development entities | 26.59 | 19% | 30.86 | 29% |
| Programme country governments | 15.81 | 11% | 6.31 | 6% |
| United Nations organizations | 23.79 | 17% | 9.72 | 9% |
| United Nations and eligible diplomatic staff members | 2.21 | 2% | 1.71 | 2% |
| Total | 138.66 | 100% | 106.90 | 100% |

United Nations DP/2008/44

**Executive Board of the United Nations Development Programme and of the United Nations Population Fund**

Distr.: General
8 July 2008

Original: English

**Second regular session 2008**
8 to 12 September 2008, New York
Item 3 of the provisional agenda
**Evaluation**

# Evaluation of the third global cooperation framework

Contents


| *Chapter* | | *Page* |
|---|---|---|
| I. | Introduction | 2 |
| II. | Context | 2 |
| III. | Approach and methodology | 4 |
| IV. | Key findings | 5 |
| V. | Conclusions | 9 |
| VI. | Recommendations | 11 |


08-41611 (E) 280708

# I. Introduction

1. The Executive Board approved the evaluation of the UNDP third global cooperation framework in June 2007[1] as part of the Evaluation Office programme of work for 2007-2008. The evaluation supports the substantive accountability of the UNDP Administrator to the Executive Board, and the findings are intended to provide inputs to the formulation of a new global programme (2008-2011), to be presented to the Board for its review and adoption.

2. The evaluation assessed the performance of the third global cooperation framework and offered key recommendations on how to strengthen the effectiveness of the global programme. The present report provides a summary of the findings, conclusions and recommendations of the independent evaluation.

3. The third global cooperation framework was managed by the Bureau for Development Policy (BDP) between 2005 and 2007. The approved period was extended by the Executive Board through 2008 to allow for the drafting of a new global programme in line with the UNDP strategic plan (2008-2011)[2]. This evaluation – covering 2005-2007 – was conducted between October 2007 and April 2008.

# II. Context

4. Until 1996, the global and interregional programme was used primarily to finance corporate-level initiatives and partnerships with major intergovernmental and academic institutions. Beginning in 1997, UNDP has implemented global cooperation frameworks, which have been managed by BDP and which have covered three to four-year periods. Between 1997-2007, three global cooperation frameworks have mirrored the corporate changes within UNDP; the first global cooperation framework (1997-2000), was conceived as a mechanism to: "...contribute to the overall development efforts of UNDP [by furthering] sustainable human development by translating global development aspirations and mandates into innovative and practical development interventions for application by UNDP through regional and country programmes and projects".[3]

5. The second global cooperation framework (originally 2001-2003 and extended to 2004) was designed to provide services in three priority support areas: "...(a) global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues; (b) policy advice, support and alignment across programmes, drawing on the global network of policy specialists; and (c) knowledge-networking and the sharing of best practices, drawing on the subregional resource facilities (SURFs) system and communities of practice to support country and regional programming efforts". [4]

6. The third global cooperation framework was intended to complement and strengthen ongoing efforts by UNDP to support programme countries to achieve the Millennium Development Goals. Its primary objectives were: "...(a) To help UNDP country offices improve their effectiveness on the ground, in responding to requests from programme countries to plan, manage and deliver resources for development in pursuit of the MDGs; (b) To support developing countries, when requested, in developing policy frameworks that take advantage of global opportunities and resources under the priority goals of the second multi-year funding framework (MYFF) 2004-2007; and (c) To enable developing countries to benefit from interregional knowledge exchange and South-based experiences and learning, and ensure that

[1] Decision 2007/24, 'Annual report on evaluation', 22 June 2007, as contained in DP/2008/2, 'Decisions adopted by the Executive Board in 2007', 18 October 2007, p. 20

[2] The original duration of the third global cooperation framework was 2005-2007 and the Board granted a one-year extension in June 2007. UNDP, 'Decisions adopted by the Executive Board during 2007', DP/2008/2, decision 2007/44,18 October 2007, p. 42

[3] UNDP, 'First global country cooperation framework, 1997-2000' DP/GCF/1/Rev.1, 13 August 1997, p.5, paragraph 13

[4] UNDP, 'Second global cooperation framework, 2000-2003', DP/GCF/2, 27 November 2000, p.9. paragraph 27

development assistance, advice, programme design and capacity-building efforts draw on global best practices and expertise".[5]

7. The third global cooperation framework programme document identified a four-fold rationale for the global programme: (a) To ensure coherence among country, regional and global programmes within the organizing framework of MYFF 2004-2007 and build synergies in project formulation and implementation, sharing inter-regional good practices and consolidating knowledge into knowledge products; (b) To codify the pooled experiences and lessons learned from the UNDP network on the ground in 166 countries, and the work of all United Nations organizations, into knowledge products to the benefit of programme countries as well as UNDP, and facilitate the exchange of knowledge through knowledge networks; (c) To respond to the demands of programme countries for South-based development solutions through facilitating South-South cooperation; and (d) To enable strategic partnerships to influence the global agenda.

8. The third global cooperation framework was aligned with four strategic goals of the MYFF (2004-2007), namely: achieving the MDGs and reducing human poverty; fostering democratic governance; managing energy and the environment for sustainable development; and responding to HIV/AIDS. It also supported work in two cross-cutting areas relating to the mainstreaming of gender equality and capacity development.

9. In order to achieve the goals outlined in the programme document, BDP was allocated $79.56[6] million in core resources and is accountable for the utilization of resources and the achievement of results and objectives. The same organizational structure through which BDP implements core resources is responsible for the implementation of non-core resources.

10. As mentioned earlier, BDP – specifically the Poverty Group, the Democratic Governance Group, Environment and Energy Group, the HIV/AIDS Group, the Capacity Development Group, and the Gender Team – was responsible for all aspects of the management of the third global cooperation framework. The first four 'practice groups' covered issues directly related to the four MYFF priority goals, while cross-cutting issues linked to two main principles of the third global cooperation framework (and directly relevant in the implementation of the four other issue-areas) were covered by the Capacity Development Group and the Gender Team[7]. An additional, central ambition was to strengthen knowledge management across all areas; each practice group addressed knowledge management and some resources were used to provide central coordination for knowledge management.8

11. The three primary implementation modalities used by each practice group were: policy advisory services; targeted projects; and knowledge management. In order to provide policy advice, 75 policy specialist posts were created. They performed a range of tasks including providing advice and backstopping support to country offices and programme countries, supporting practice-related knowledge management, supporting practice alignment and coordination, supporting fund-raising of non-core resources, managing targeted projects, supporting projects financed through non-core resources, and coordinating the work programmes of regional service centres and subregional resource facilities (SURFs). Two thirds of the policy specialists were based in regional service centres, while the other third were stationed at headquarters. Targeted projects were used, among other things, to pilot innovative approaches, develop practice-related knowledge products, and to leverage additional non-core resources. Knowledge management focused on interregional knowledge creation, transfer and codification. In all, 120 targeted projects – with a combined budget of $22.5 million – were implemented through the third global cooperation framework.

12. The International Poverty Centre in Brasilia, the Oslo Governance Centre, and the Drylands Development Centre in Nairobi constituted important implementation mechanisms

[5] UNDP, 'First global cooperation framework, 1997-2000' (DP/GCF/1/Rev.1, para. 14).
[6] An additional $5.14 million was allocated to the 'strategic reserve', which receives a financial allocation through the global programme. However, it does not constitute an integral component of the programmatic and operational structure of the third global cooperation framework.
[7] Hereinafter, the term 'practice groups' will be used to refer to all six entities, including the Capacity Development Group and the Gender Team.

aligned to the thematic areas of poverty, governance, and energy and environment. To differing degrees, each of these thematic centres emphasized applied research, policy or practice-related advice, and operational support to programme countries in their respective practice areas.

13. The work of the third global cooperation framework took place within the context of a rapidly changing development and technical cooperation environment, as well as evolving internal strategies and structures of UNDP aimed at providing more effective support to programme countries. Some key issues influencing the broader environment within which UNDP operated included ongoing United Nations reform, concerted efforts to strengthening United Nations-wide coordination and delivery, and a growing focus on improved harmonization and alignment among development partners. In addition to management reform initiatives, a stronger emphasis was placed on results-based management and regionalization in UNDP.

# III. Approach and methodology

14. The evaluation covered all programmatic and operational aspects of the third global cooperation framework, with the exception of the 'strategic reserve', which receives a financial allocation through the global programme (and does not constitute an integral component of the programmatic and operational framework). The evaluation addressed efforts in all UNDP geographic regions between 2005 and 2007 and assessed the performance of the third global cooperation framework during this period against: (a) goals set by the MYFF (2004-2007); (b) the objectives and results framework contained in the third global cooperation framework programme document; and (c) the management response to the evaluation. The evaluation did not assess the ongoing regionalization process in any detail, though recent developments were taken into account.

15. The principal mandate of UNDP is to support programme countries in achieving development results. In evaluating the third global cooperation framework, the overarching concern was to ascertain its contribution to the achievement of results at the country level. However, in view of the 'global' nature of the framework, direct contributions were neither possible to determine nor expected, in many cases. Rather, the evaluation sought to determine the contribution of the third global cooperation framework in strengthening regional and country programme support to programme countries. The evaluation focused primarily on issues of relevance and effectiveness and also addressed issues of efficiency and sustainability.

16. The evaluation is based on quantitative and qualitative analyses. Evidence obtained was triangulated in order to ensure that findings were reviewed from different perspectives. The evidence for this evaluation was collected through case studies involving programme countries, regional service centres and headquarters, through electronic surveys, through the analysis of sample global projects, and through a desk study of relevant documents and secondary evaluative material.

17. In choosing the case study countries, a purposive sampling approach was adopted. Selection criteria included the level of global programme support received, the development context in terms of income level (with special attention to least developed countries), and representation across regions (with special emphasis on sub-Saharan Africa). Almost all regional service centres or SURFs and the three thematic centres were visited. Selected case study locations are presented in table 1.

**Table 1: Case study countries and regional service centres / subregional resource facilities**

| UNDP region / thematic centres | Case study countries | Regional service centres and SURFs |
|---|---|---|
| **Africa** | Liberia Mali<br>Rwanda Tanzania<br>Zambia | RSC Dakar<br>RSC Johannesburg |
| **Arab states** | Tunisia<br>Yemen | SURF Beirut |
| **Asia and the Pacific** | Cambodia<br>Indonesia<br>Nepal | RSC Bangkok<br>RSC Colombo |
| **Eastern Europe and the Commonwealth of Independent States** | Armenia<br>Uzbekistan | RSC Bratislava |
| **Latin America and the Caribbean** | Bolivia<br>El Salvador | SURF Panama City |
| **Thematic centres** | Drylands Development Centre, Nairobi<br>International Poverty Centre, Brasilia<br>Oslo Governance Centre | |

18. Semi-structured interviews were conducted with individual stakeholders identified among government officials, civil society organizations, UNDP units, other United Nations entities and bilateral donors. Over 400 individuals were interviewed around the world. In addition, two surveys were carried out among 36 of the policy advisors linked to the third global cooperation framework (51 per cent response rate), and among resident coordinators / resident representatives or country directors (23 per cent response rate). Due to the low response rate, the latter survey was only used for selective analyses and to indicate certain trends among the respondents. A review of the stratified random sample of 33 projects (out of the total of 121 projects) was undertaken to gather additional evidence. A desk study of secondary evaluative evidence and relevant documentation was conducted to supplement the primary evidence.

19. The limitations of the evaluation included: (a) challenges in developing a methodology to address the broad and complex nature of the third global cooperation framework; (b) inability to cover the full diversity of country experiences; (c) lack of data and evaluative evidence due to inadequate monitoring and self-assessments; and (d) extremely tight timelines.

20. The evaluation did not carry out a detailed assessment of the work conducted under each of the six practice and cross-practice areas supported by the third global cooperation framework. However, practice-based analyses were conducted to identify common issues of relevance to a broader understanding of the framework.

# IV. Key findings

21. The evaluation recognizes that, within the broad programmatic framework of the MYFF (2004-2007), the third global cooperation framework was unique in providing the basis for global development policy work that was grounded in the country and regional experience of UNDP. The outputs from this work were intended to enrich the contributions of the organization to development results at the country level. The effectiveness of the framework was therefore predicated on strong internal and external demand and partnerships. The key findings that are presented below reflect the evaluation's coverage of issues related to the formulation and

operationalization of the third global cooperation framework, the results achieved as well as management and oversight.

***Formulation of the third global cooperation framework***

22. Findings relating to the formulation of the third global cooperation framework include:

(a) The issues addressed by the third global cooperation framework were relevant to the concerns of programme countries in line with the commitments of UNDP in the MYFF (2004-2007);

(b) The third global cooperation framework constituted a relatively loose framework covering all relevant areas of the MYFF. Its 'results and resources framework' did not present an integrated, results-oriented programme of work, based on a plausible 'theory of change';

(c) Compared with previous global programmes, the third global cooperation framework significantly reduced its emphasis on the global development policy agenda;

(d) The ability of the third global cooperation framework to fulfill its planned role was constrained by unclear articulation of its scope and programmatic strategy in addressing global issues. It was further constrained by insufficient substantive collaboration of the programme with other UNDP units, particularly those units that address global issues, such as the Human Development Report Office, the Office of Development Studies, the Bureau of Conflict Prevention and Recovery, and the Special Unit for South-South Cooperation;

(e) The third global cooperation framework did not explicitly identify and focus on areas that were most likely to contribute to the advancement of human development. Moreover, the attempt to cover all 24 service lines of the MYFF perpetuated a 'silo approach' and inhibited a systematic quest for a holistic development response and the ability to focus resources on key issues and needs; and

(f) In addition, the third global cooperation framework programme document lacked contextual analysis of the diverse development contexts in different regions and country types, including least developed countries, landlocked developing countries, and small island developing States. This undifferentiated approach reduced the programme's relevance.

***Operationalization and implementation***

23. Findings relating to operationalization and implementation include:

(a) The third global cooperation framework had multiple roles ranging from development of policy approaches through the provision of operational guidance and tools, to the delivery of direct programme services at the country level, and support to knowledge networking. In practice, the possible synergistic linkages among these roles were not fully exploited resulting in resources being scattered;

(b) The third global cooperation framework did not adopt an explicit partnership strategy that sought to harmonize or integrate development efforts of key partners within the United Nations system and beyond. It entered into a multitude of partnerships at many different levels, many of which supported relevant activities, but did not always lead to sustained results;

(c) There was limited UNDP-wide ownership of the third global cooperation framework. Clarity and full awareness of the range of functions and services provided under the framework was lacking among UNDP units, including the regional bureaux, the regional service centres, SURFs and country offices. Consequently, reach and contribution of the framework were significantly limited;

(d) The third global cooperation framework was largely driven by supply rather than by client demand. Little prioritization took place to identify the issues and areas in which the framework could add most value. The three main modalities of delivering support –

policy advice, targeted projects and knowledge management – were not consistently used in a coordinated manner;

(e) In general, the third global cooperation framework encouraged the development of generic knowledge products, tools and approaches that did not sufficiently take into account the developmental complexities and local practical realities arising from subregional specificities and differences between country groupings;

(f) In operationalizing the third global cooperation framework, cross-practice work and initiatives that involved more than one service line were explicitly encouraged. However, cross-practice approaches to complex and multidimensional developmental challenges continued to be exceptions rather than the rule; and

(g) Resources were spread thinly across and within practice areas, policy advisors and targeted projects. The hiring of 75 policy advisers was intended to support all programme countries in all 24 service lines of the MYFF as well as provide policy advice to programme countries, contribute to knowledge management, practice alignment and coordination. They were also expected to mobilize resources and provide programme support to country offices. In each practice group, funding for targeted projects was also distributed across all service lines.

***Programme results***

24. Findings relating to programme results include:

(a) The third global cooperation framework registered some notable successes. It invested in a number of areas in which it added 'global' value to the work of UNDP, and applied integrated modalities across UNDP – including two-way knowledge flows from the country over the regional to the global levels and back, some knowledge codification, and policy advisory and programme support services – thus contributing to the efforts of UNDP to support the achievement of development results. In all practice areas there were examples of valued contributions to country office performance;

(b) In the area of 'achieving the MDGs and reducing human poverty', the third global cooperation framework contributed to strengthening the MDG-based development agenda and achieved successes, inter alia, in the areas of trade and 'generating fiscal space'. Efforts to address a very wide range of MDG and poverty-related issues weakened its contribution to issues of global import, to which it may have been able to add more value as a 'global' programme;

(c) In the area of 'fostering democratic governance, the third global cooperation framework made important contributions in the areas, inter alia, of electoral support, public administration reform, representative institutions, and local governance. The prevailing tendency was to address each service line in isolation, but some efforts were made to introduce a more cross-practice and cross-cutting approach;

(d) In the area of 'managing energy and environment for sustainable development', the support of the third global cooperation framework was valued by country offices in areas such as governance, in the context of the 'poverty and environment initiative' and land governance. But the framework's broad agenda in this area led to resources being spread thinly, weakening its ability to achieve more prominent results;

(e) The relevance of the work of the International Poverty Centre, the Oslo Governance Centre and the Drylands Development Centre to the objectives of the third global cooperation framework was uneven, but improved between 2005 and 2007. The relative autonomy of the centres provided a context for some innovative applied research and policy work, but this was not always fully integrated into the third global cooperation framework;

(f) In the area of 'responding to HIV and AIDS', the third global cooperation framework registered considerable achievements in providing direct support, in cooperation with other UNDP units and partners, to programme countries. However, the added value of the framework – as a 'global' programme – was assessed to be greater in

mainstreaming HIV/AIDS within other practice areas and in developing broader policy guidance and tools;

(g) The success of gender-related work lay in strengthening the internal capacity of UNDP and improved understanding of gender equality as a cross-cutting concern and key determinant of human development results at the country level. However, gender mainstreaming remained incomplete in all of the substantive practice areas and lacked knowledge management support;

(h) The effectiveness of the third global cooperation framework support to capacity development was seen in the up-take of the many guidance and knowledge products and in the productive collaboration with United Nations Development Group and external institutions such as the Organisation for Economic Co-operation and Development-Development Assistance Committee. Some weaknesses expressed by country offices included a tendency to develop knowledge products and tools that were too generic; a more context-specific approach would have been beneficial;

(i) Work in mainstreaming both gender and capacity development under the third global cooperation framework registered successes, but did not focus sufficiently on mainstreaming within the four practice areas. The global programme was assessed to be an appropriate vehicle to mainstream important issues such as gender, capacity development, HIV/AIDS and potentially other cross-cutting development issues;

(j) The exchange and management of knowledge, including through knowledge networks and communities of practice, was prioritized and was appreciated within UNDP. In the absence of a corporate strategy for knowledge management, however, there was a lack of clarity regarding the role of the third global cooperation framework in establishing UNDP as an effective knowledge organization;

(k) The third global cooperation framework did not engage in South-South cooperation in a systematic way. There was insufficient attention to identifying gaps in capacities and emerging trends in South-South cooperation, codifying knowledge and experiences within a South-South cooperation framework. A strong strategic partnership with the Special Unit for South-South Cooperation was not established; and

(l) Considerable non-core resources were mobilized for use in implementing the third global cooperation framework. UNDP estimated that nearly $236 million were raised and resource mobilization activities were generally considered to be cost-effective.

***Management and oversight***

25. Findings relating to management and oversight include:

(a) In operationalizing the third global cooperation framework, principles of results-based planning, monitoring and reporting were not consistently applied. UNDP undertook to strengthen management of the programme, as outlined in its management response to the evaluation of second global cooperation framework, and although initiatives to strengthen financial monitoring and human resources management were undertaken, results-based management remained inadequate;

(b) With minor exceptions, no audits and evaluations were conducted, thereby limiting any systematic understanding of successes and weaknesses of the third global cooperation framework and what areas might have required adjustment. A few sub-practice evaluations were conducted in the democratic governance practice area and an audit of the global programme is planned for 2008;

(c) The flexibility of the third global cooperation framework managers to deploy resources in a strategic or programmatic manner was constrained by the practice of tying almost 80 per cent of framework resources to salaried posts and other staff;

(d) Each practice group was allowed to pursue its own management approach and central programme coordination was weak. This resulted in poor programme coherence and inadequate quality assurance;

(e) Efforts were more effective when priority-setting and management of programmes were undertaken by units closest to the country level. The recent implementation of the regionalization strategy has highlighted some of the challenges in sharing financial resources and matrix management of human resources between regional service centres and BDP; and

(f) UNDP undertook to address oversight and accountability in the management response to the evaluation of the second global cooperation framework. In practice, few of the related commitments were implemented under the successive framework. Senior management committees did not systematically review progress and the proposed external advisory committee was not activated.

# V. Conclusions

26. The global programme has an important role to play in the context of the broader programming landscape of UNDP. The third global cooperation framework registered some successes, but was unable to translate them into a systematic programme of a global nature for a range of systemic, design and management-related reasons. There was a lack of clarity regarding its 'global' role, its 'cooperation' agenda and modalities, and the scope and purpose of its programmatic 'framework'.

***Conclusion 1***

27. The third global cooperation framework fell short in its strategic mission to underpin and integrate the practice architecture of UNDP. In particular:

(a) The third global cooperation framework was placed at the centre of the practice architecture to provide coordination, guidance and knowledge services to country programmes on practice-related issues. Considerable intellectual capital was made available through the network of policy specialists and other experts, and some useful work was conducted. However, the full scope of these mandated functions could not be addressed effectively in all programme countries due to limited core resources and inadequate institutional support mechanisms; and

(b) The central role of the global programme in the practice architecture of UNDP and in strengthening support to countries in each of these practice areas was not fully recognized by most UNDP units. In most cases, the framework was not seen as a programme through which new ideas and innovative approaches emanating from country experiences were infused into the entire UNDP system.

***Conclusion 2***

28. The effectiveness of the third global cooperation framework in meeting demand was constrained by weak strategic choices regarding focus areas, implementation modalities, allocation of resources and partnerships. In particular:

(a) The contribution of the third global cooperation framework to the achievement of development results could have been significantly strengthened by focusing on areas of high demand, in which it also had a clear comparative advantage. The service lines of the MYFF (2005-2007) were taken as the programmatic determinant. This resulted in insufficient attention being paid to areas where the programme could have made a major contribution, while continuing to fund areas where the programme could not add as much value;

(b) Emphasis on developing generic approaches rather than contextualizing products and services in order to address specificities of sub-regions or country types limited the appropriateness of the work. Partnerships, with a few notable exceptions, were more opportunistic than strategic, and did not fully exploit the comparative advantages of partners or build new development opportunities for programme countries; and

(c) By virtue of its global mandate, and in line with the guiding principles of the MYFF, the third global cooperation framework was in a strong position to develop cross-practice approaches to address complex development challenges for application by country and regional programmes. It was also well placed to provide guidance on mainstreaming approaches in the areas of gender, capacity development and other issues, such as HIV/AIDS. The third global cooperation framework could have enhanced its relevance by focusing more systematically on cross-practice and mainstreaming approaches.

***Conclusion 3***

29. The third global cooperation framework contributed to UNDP becoming a more globally-networked knowledge organization. In particular:

(a) The support of the third global cooperation framework to knowledge networking was an effective means to support practice and cross-practice work. In general, the practice networks, websites and other instruments to share knowledge were appreciated by internal stakeholders. However, the effectiveness of the sharing and exchange of knowledge was constrained by an ad-hoc approach to codification, most practice networks being closed to external partners, and the uneven quality of the knowledge products. Such ad hoc approaches also prevented the third global cooperation framework from engaging in South-South cooperation in a systematic way. Early successes achieved through the networks were not optimized through systematic codification and technical improvements; and

(b) While the third global cooperation framework made considerable efforts to enhance knowledge management and some successes were achieved in strengthening UNDP as a globally-networked knowledge organization, the absence of a corporate strategy meant it could not achieve its full potential in knowledge management.

***Conclusion 4***

30. Weak management and lack of corporate oversight limited the effectiveness of the third global cooperation framework. In particular:

(a) The third global cooperation framework would have benefited significantly from a consistent application of results-based management principles and techniques. By neglecting standard UNDP planning, monitoring, reporting and evaluation practices, decision-makers were deprived of clear programmatic targets and the opportunity to regularly assess the contribution of the programme to the achievement of development results. Management could not use evaluative evidence to strengthen the quality of the programme's products, services and approaches or make strategic decisions regarding the future direction of the programme;

(b) There was little evidence of a clear understanding between BDP and the regional bureaux on their respective roles and responsibilities in their collaborative efforts, especially in the regional service centres and SURFs. The matrix management system through which BDP-funded policy specialists were managed was not generally effective in supporting the alignment of the practice architecture. The tensions that arose from mixed funding mechanisms and multiple lines of accountability weakened the potential effectiveness of the framework. These tensions will have to be addressed in the regionalization strategy; and

(c) In the absence of an internal UNDP oversight mechanism, UNDP was unable to harness the full potential of the framework for the benefit of the organization. Moreover, without an external consultative process with development partners, the responsiveness and relevance of the third global cooperation framework to emerging priorities of programme countries was uneven.

***Conclusion 5***

31. Although the third global cooperation framework has not fulfilled its global role, there is a need for a global programme in UNDP. In particular:

(a) The third global cooperation framework has supported some successful initiatives to strengthen support to programme countries drawing from the global experience of UNDP, and at the country level there is significant demand for the type of services provided by the programme. However, these successes were not translated into a systematic effort of a global nature and the framework was unable to go beyond compiling country experiences, to use this accumulated knowledge to contribute to global development debates and approaches on any significant scale;

(b) There are development issues that cannot be addressed solely at the country or regional levels, for which UNDP needs a global programme. Given its universal presence, UNDP has the potential to contribute to global development debates and approaches drawing from its development experience at the country, regional and global levels. In turn, UNDP can benefit all programme countries by drawing from this global experience and developing innovative development policy approaches as well as facilitating South-South cooperation. In this regard, the third global cooperation framework has not realized its full potential.

# VI. Recommendations

32. This evaluation recommends that UNDP should design a new global programme that embodies a clear departure from the previous global cooperation frameworks. The new global programme should be based on demand from programme countries, be fully integrated within UNDP, and add value as a 'global' programme. It should address 'global' issues and leverage all UNDP entities with a view to generating, codifying and applying 'global' knowledge. The following detailed recommendations aim to support UNDP in developing such a new global programme. They are intended to be mutually reinforcing and should be treated as a whole.

***Recommendation 1***

33. The new global programme should clearly set out its global role, development goals, a strategic focus and a corresponding results and accountability framework based on the following considerations:

(a) A clear rationale and the specification of clear criteria to distinguish global programme initiatives from those that can be addressed at the regional and country level;

(b) A programme approach, which should replace the current framework approach. It should have unambiguous goals, a clear substantive focus and a detailed results framework that covers all dimensions of the programme;

(c) A clear definition of its global contribution and its contribution to programme countries, through the regional and country programme architecture of UNDP;

(d) Alignment with the UNDP strategic plan. It should continue to work within and across the three main focus areas identified therein, namely poverty reduction, democratic governance and environment. Within each of these focus areas, work should be concentrated on a limited number of key result areas selected on the basis of past performance and comparative advantage. The approach in the third global cooperation framework of carrying out activities in all service lines should be discontinued;

(e) A concentration on mainstreaming approaches in the cross-cutting areas of gender equality, capacity development and HIV/AIDS across the focus areas for application by regional and country programmes; and

(f) The identification of means to reduce the dependency on the global programme to fund posts required by BDP to carry out its core functions such as global development policy work and practice coordination and development. One option may be to amend existing programming arrangements to explicitly allow for the funding of BDP posts.

***Recommendation 2***

34. UNDP should develop improved corporate strategies and delivery mechanisms so that the new global programme can better support the achievement of results at the country level based on the following considerations:

(a) The need for a corporate knowledge management policy and strategy that clearly identifies the type of knowledge to be codified, how the processes are managed, and how best to respond to the needs of the organization and programme countries. The role of the new global programme in implementing the new strategy should be clearly defined;

(b) The new global programme should provide country offices and their national partners with codification of cutting-edge analyses of global issues that are grounded in UNDP experience;

(c) Demand by country offices for policy advisory, knowledge and programme support should be met by units best placed to respond based on their location and capacity. Primary responsibility and accountability should rest with the regional service centres for managing and delivering programme and policy support to country offices and for conveying country level experience back to the central bureaux responsible for analysis and codification; and

(d) Responsibility for implementing the new global programme should be shared by BDP and the regional bureaux through the regional service centers. Those components involving the provision of services and support to the country level should be managed by the regional bureaux and the regional service centers. Resources for the new global programme should be allocated and managed based on the requirements of the programme's functions at the global and regional levels and the comparative advantage of respective UNDP units.

***Recommendation 3***

35. The new global programme should have an explicit strategy to partner systematically with other United Nations agencies and development institutions in order to contribute to development policy debates and approaches that are critical to programme countries for the achievement of their development goals by:

(a) Identifying partners who will add most value in priority areas, specifying joint outcomes to be achieved, and identifying sustained cooperation modalities;

(b) Collaborating with other United Nations development agencies and development partners to effectively address global development challenges and contribute to global development debates and approaches;

(c) Strengthening South-South cooperation modalities, in close partnership with programme countries, centres of excellence worldwide and the Special Unit for South-South Cooperation, as a means of ensuring the relevance and appropriateness of the knowledge generated, codified and further promoted; and

(d) Enabling the thematic centres to enter into long-term collaboration with Southern think tanks and centres of excellence.

***Recommendation 4***

36. UNDP should establish a management system for the new global programme that ensures results orientation and accountability through strengthened corporate management and compliance with standard UNDP programming requirements by:

(a) Institutionalizing standard results-based planning, performance monitoring and reporting practices that are underpinned by effective support mechanisms, such as a comprehensive substantive database;

(b) Establishing standards of management performance across all work areas and ensuring, through central coordination, the most strategic deployment of human and financial resources and consistency in implementation;

Instituting regular audits and outcome evaluations; and

(d) Conducting a mid-term review of the new global programme to ensure that benchmarks outlined in the management response to the third global cooperation framework evaluation, and set in the new global programme approved by the Executive Board, are met.

***Recommendation 5***

37. UNDP should institutionalize mechanisms to ensure corporate oversight and ownership of the global programme by:

(a) Strengthening mechanisms to enable the active participation and full support from corporate UNDP in order to promote buy-in by all units that it serves and from which it draws vital development information;

(b) Ensuring synergy among the different UNDP units dealing with policy development at the global level, including the Human Development Report Office, the Office of Development Studies, and the Bureau of Conflict Prevention and Recovery, in order to contribute more effectively to global policy debates and advances in development approaches;

(c) Establishing an advisory board for the global programme involving external partners and internal stakeholders, in order to identify comparative advantage and ensure the relevance of a new global programme;

(d) Ensuring corporate oversight over the global programme, through a senior management group such as the operations group or management group; and

(e) Explicitly reporting, on an annual basis, on the performance of the new global programme, as part of the regular system of reporting by UNDP to the Executive Board.